WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

CITY OF TRENTON

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1987

CITY OF TRENTON
INDEX - 1987

CITY OF TRENTON

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WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council
Inhabitants and Ratepayers
of the Corporation of the
City of Trenton

We have examined the consolidated balance sheet of the Corporation of the City of Trenton as at December 31, 1987, and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Trenton as at December 31, 1987, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Ontario
March 22, 1988

CITY OF TRENTON

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
UNRESTRICTED		
Cash	483,324	274,655
Taxes receivable	486,353	470,458
Accounts receivable	581,820	555,384
Other current assets	95,494	208,912
Long-term assets	9,861	9,861
	1,656,852	1,519,270
RESTRICTED		
Cash	746,215	340,933
Other current assets	7,006	4,809
	753,221	345,742
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS - Note 1(b)	1,121,256	1,215,841
	3,531,329	3,080,853

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	865,958	683,503
NET LONG-TERM LIABILITIES - Note 6	1,121,256	1,215,841
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1987 - Note 7	530,543	591,934
Capital operations not yet permanently financed - Note 7	-	(17,256)
Reserves - Note 8	260,351	261,089
Reserve funds - Note 8	753,221	345,742
	3,531,329	3,080,853

The accompanying notes form an integral part of these financial statements

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CONSOLIDATED STATEMENT

FOR THE YEAR ENDED DEC

	1987 BUDGET $	1987 ACTUAL $	1986 ACTUAL $
SOURCES OF FINANCING:			
TAXATION AND USER CHARGES			
Residential and farm taxation	5,603,409	5,562,215	5,089,163
Commercial, industrial and business taxation	4,977,409	5,116,388	4,642,863
Taxation from other Governments	319,771	346,026	322,237
User charges	2,082,900	2,363,636	2,102,298
GRANTS			
Government of Canada	46,274	49,112	15,000
Province of Ontario	2,839,732	3,056,400	2,803,559
OTHER			
Penalty and interest on taxes	75,000	73,642	77,198
Investment income	137,425	117,183	123,552
Contributions from others	17,528	63,730	3,679
Sale of land	251,000	256,307	292,188
Fines	58,250	77,172	55,855
Other	16,281	38,540	56,368
Deduct: amounts received or receivable for school boards - Note 2	(5,681,426)	(5,740,126)	(5,125,817)
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR			
To be used to offset taxation or user charges	591,934	591,934	416,605
Capital operations not yet financed	(17,256)	(17,256)	(208,356)
TOTAL FINANCING AVAILABLE DURING THE YEAR	11,318,231	11,954,903	10,666,392

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OF TRENTON

ATEMENT OF OPERATIONS

DED DECEMBER 31, 1987

	1987 BUDGET $	1987 ACTUAL $	1986 ACTUAL $
APPLIED TO:			
CURRENT OPERATIONS			
General Government	825,453	786,063	728,982
Protection to persons and property	2,947,592	2,846,482	2,698,623
Transportation services	1,779,154	1,709,012	1,619,682
Environmental services	1,721,935	1,740,420	1,592,851
Health services	96,539	96,539	101,865
Social and family services	506,780	520,500	443,169
Recreation and cultural services	1,462,743	1,489,019	1,343,603
Planning and development	263,261	244,424	259,553
	9,603,457	9,432,459	8,788,328
CAPITAL			
General Government	26,500	26,913	19,091
Protection to persons and property	69,339	84,473	77,793
Transportation services	803,304	964,028	564,859
Environmental services	87,000	88,373	198,699
Social and family services	-	-	110,843
Recreation and cultural services	128,575	136,038	42,881
Planning and development	214,100	285,335	227,273
	1,328,818	1,585,160	1,241,439
NET APPROPRIATIONS TO RESERVES AND RESERVE FUNDS	408,678	406,741	61,947
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR - Note 7			
To be used to offset (recover from) taxation or user charges	(22,722)	530,543	591,934
Capital operations not yet financed	-	-	(17,256)
TOTAL APPLICATIONS DURING THE YEAR	11,318,231	11,954,903	10,666,392

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CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Trenton are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards and municipal enterprises which are under the control of Council:

Local Boards:
Trenton Memorial Public Library
Trenton Downtown Business Improvement Area Board of Management

Municipal Enterprise:
Trenton Parking Authority

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Municipality and the resulting interest income and expenditures.

(ii) Non-Consolidated Entities

The following utilities are not consolidated:

Trenton Public Utilities Commission - Waterworks
Trenton Public Utilities Commission - Electric Department

The following joint local boards are not consolidated:

Hastings and Prince Edward Counties Health Unit
Childrens' Aid Society, Belleville, Hastings and Trenton

(iii) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the Consolidated Balance Sheet as "other current liabilities" ("other current assets").

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES (Cont'd)

(a) Basis of Consolidation (Cont'd)

(iv) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity" and "Balance Sheet".

(b) Basis of Accounting

(i) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(iv) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

2. OPERATIONS OF SCHOOL BOARDS

Further to note 1(a)(iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards are comprised of the following:

	1987 $	1986 $
Taxation	5,740,126	5,125,817
Requisitions	5,740,505	5,129,141
Overlevies (underlevies) for the year	(379)	(3,324)
Overlevies (underlevies) at the beginning of the year	(5,994)	(2,670)
Overlevies (underlevies) at the end of the year	(6,373)	(5,994)

3. TRUST FUNDS

Trust funds administered by the municipality amounting to $59,330 (1986 - $71,572) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

4. PENSION AGREEMENTS

The municipality contributes to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 111 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1987, was $193,065 (1986 - $178,844) for current service and is included as an expenditure on the Consolidated Statement of Operations.

Under the past service provisions of the OMERS agreement, the municipality is obligated at December 31, 1987, for an amount of approximately $113,420 (1986 - $131,322) as established for the plan. No provision has been made for this liability. The balance of this liability will be funded over five years in blended instalments of principal and interest of $28,407 per year. An amount of $28,407 (1986 - $28,407) in addition to the amount for current service has been provided for in the current year and is reported as an expenditure on the "Consolidated Statement of Operations".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the City's employment.

Certain employees continue under the former sick leave plan. The liability for these accumulated days, to the extent that they have vested and could be taken by these employees on terminating, amounted to $412,315 (1986 - $391,593) at the end of the year.

Certain employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits related to these employees are being paid out over a period of years to 1989.

The liability for these accumulated days, to the extent that they have been vested and will be taken in cash by employees, amounted to $172,337 (1986 - $254,138) at the end of the year.

An amount of $320,556 (1986 - $288,418) has been provided for this past service liability.

6. NET LONG-TERM LIABILITIES

	1987 $	1986 $
(a) The balance of the net long-term liabilities reported on the "Consolidated Balance Sheet" is made up of the following:		
Total long-term liabilities incurred by the municipality including those incurred on behalf of school boards, municipal enterprises, and individuals and outstanding at the end of the year amounted to:	1,756,787	1,871,706
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by school boards. At the end of the year, the outstanding principal amount of this liability is:	(6,177)	(12,045)
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated municipal enterprises. At the end of the year, the outstanding principal amount of this liability is:	(470,000)	(502,000)

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

6. NET LONG-TERM LIABILITIES (Cont'd)

	1987 $	1986 $
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is:	(8,734)	(9,244)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long-term liabilities included above amount to:	(150,620)	(132,576)
Net long-term liabilities at end of year	1,121,256	1,215,841

(b) Of the net long-term liabilities reported in (a) of this note, $602,906 in principal payments are payable from 1988 to 1992, $495,286 from 1993 to 1997, and $23,064 thereafter and are summarized as follows:

	1988 to 1992 $	1993 to 1997 $	1998 and thereafter $
From general municipal revenues	507,922	422,301	23,064
From benefitting landowners	19,900	3,504	-
From consolidated municipal enterprises	75,084	69,481	-
	602,906	495,286	23,064

(c) Approval of the Ontario Municipal Board has been obtained for the long-term liabilities in (a) issued in the name of the Municipality.

(d) The Municipality is contingently liable for long-term liabilities with respect to shoreline property assistance loans and for those for which the responsibility for the payment of principal and interest has been assumed by school boards and unconsolidated municipal enterprises. The total amount outstanding as at December 31, 1987, is $484,911 (1986 - $523,289) and is not recorded on the "Consolidated Balance Sheet".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

7. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) The balances on the "Consolidated Statement of Operations" of municipal equity of $530,543 (1986 - $574,678) at the end of the year are comprised of the follcwing:

	1987 $	1986 $
For general reduction of taxation	477,245	566,359
For general reduction of user charges - Parking Authority	44,098	17,409
For benefitting taxpayers related to special areas - D.B.I.A.	9,200	8,166
	530,543	591,934
Acquisition of fixed assets to be financed from user charges during the term of council	-	(17,256)
	-	(17,256)
	530,543	574,678

(b) Approval of the Ontario Municipal Board has been obtained for those commitments to be financed from revenues beyond the term of Council except for the new bridge, as disclosed in note 11 (b).

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

8. RESERVES AND RESERVE FUNDS

The total balances of reserves and reserve funds of $1,013,572 (1986 - $606,831) are made up of the following:

	1987 $	1986 $
RESERVES		
Set aside for specific purpose by council		
Working funds	255,131	255,131
Insurance	5,120	5,858
Bain Park	100	100
TOTAL RESERVES	260,351	261,089
RESERVE FUNDS		
Set aside for specific purpose by council		
Swing bridge	543,336	120,497
Community Gardens	3,011	23,213
Fire Department equipment	79,630	74,973
Library	84,066	81,878
Dufferin Street Centre - repairs	7,212	19,286
	717,255	319,847
Set aside for specific purpose by legislation		
Subdivision parklands	28,960	21,086
O.W.R.C. Reserve for Contingencies	7,006	4,809
	35,966	25,895
TOTAL RESERVE FUNDS	753,221	345,742
TOTAL RESERVES AND RESERVE FUNDS	1,013,572	606,831

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

9. CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1987 $	1986 $
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	94,585	84,951
Interest	128,835	137,805
	223,420	222,756

The charges for long-term liabilities assumed by the non-consolidated entities or by individuals in the case of shoreline property assistance loans are not reflected in these statements.

10. NON-ACCRUAL OF INTEREST ON LONG-TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities. Had this provision been made the municipal fund balances as at December 31, 1987, would have been decreased by $30,000 (1986 - $32,000).

11. COMMITMENTS

(a) On February 16, 1983, the City entered into an agreement with Quinte Sanitation Services Limited for the collection and disposal of garbage. The agreement expires on September 30, 1988. The price of the contract is to be adjusted as of January 1st of each year to reflect changes in population and the consumer price index. The annual rate of the agreement for 1987 was $14.82 per capita (1986 - $14.23 per capita).

(b) A 1988 City of Trenton by-law discloses the intent to construct a new bridge. The estimated cost of this construction is $8,000,000 to be funded by anticipated Provincial Grants of $6,000,000, the issuance of long-term debt in the amount of $1,000,000 subject to Ontario Municipal Board approval and the balance of $1,000,000 to be funded from a City Reserve Fund established for this purpose, which at December 31, 1987, has a balance of $543,336.

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

12. CONTRACTUAL OBLIGATION - MINISTRY OF THE ENVIRONMENT

In accordance with a service agreement entered into by the Municipality in 1978 with the Ministry of Environment, the existing sewage systems are owned and operated by the Ministry. The Municipality is obligated to meet all operating costs and repay the long-term liabilities related to these projects.

Included in the "Consolidated Statement of Operations" are the 1987 charges from the Ministry for sewage of $1,084,925. The "Consolidated Balance Sheet" does not reflect any assets or liabilities pertaining to the sewage or water systems except to the extent of service charges due to (or from) the Ministry.

Information received from the Ministry as at March 31, 1987, indicates the following:

	Accumulated surplus (deficit) $	1987 debt charges $	Total outstanding long-term liabilities $
Sewage system	(557,659)	443,576	4,208,073

The operating deficits and long-term liabilities indicated above are not reflected in the accompanying financial statements.

13. CONTRIBUTION TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the municipality to these boards:

	1987 $	1986 $
Hastings and Prince Edward County Health Unit	80,039	75,465
Childrens' Aid Society, Belleville, Hastings and Trenton	126,400	107,075

The municipality may be contingently liable for its share of any long-term debts incurred by other municipalities for these boards and for its share of any accumulated deficits. These details are disclosed in the financial statements of these joint local boards.

CITY OF TRENTON
REVENUE FUND
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 ACTUAL $	1986 ACTUAL $
REVENUE		
Taxation and user charges		
Residential and farm taxation	5,562,215	5,089,163
Commercial, industrial and business taxation	5,116,388	4,642,863
Taxation from other Governments	346,026	322,237
User charges	2,363,636	2,102,298
Grants		
Government of Canada	45,213	14,500
Province of Ontario	2,602,064	2,499,317
Other		
Penalty and interest on taxes	73,642	77,198
Investment income	81,733	105,637
Sale of land	256,307	292,188
Fines	77,172	55,855
Other	38,540	44,303
Deduct: amounts received or receivable on behalf of school boards - Note 2	(5,740,126)	(5,125,817)
NET MUNICIPAL REVENUE	10,822,810	10,119,742
EXPENDITURES		
General Government	786,063	728,982
Protection to persons and property	2,846,482	2,698,623
Transportation services	1,709,012	1,619,682
Environmental services	1,740,420	1,592,851
Health services	96,539	101,865
Social and family services	520,500	443,169
Recreation and cultural services	1,489,019	1,343,603
Planning and development	244,424	259,553
	9,432,459	8,788,328
NET APPROPRIATIONS (TO) FROM OTHER FUNDS		
Reserves	738	61,562
Reserve funds	(359,001)	(101,915)
Capital operations	(1,093,479)	(1,115,732)
	(1,451,742)	(1,156,085)
SURPLUS (DEFICIT) FOR THE YEAR	(61,391)	175,329
SURPLUS AT THE BEGINNING OF THE YEAR	591,934	416,605
SURPLUS AT THE END OF THE YEAR - Note 7	530,543	591,934

CITY OF TRENTON

CAPITAL FUND

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 ACTUAL $	1986 ACTUAL $
SOURCES OF FUNDS		
Government of Canada Grants	3,899	500
Province of Ontario Grants	454,336	304,242
Recoveries of capital expenditures	46,202	-
Donations	-	12,065
Contributions (to) from other funds		
Current operations	1,093,479	1,115,732
Reserve funds	4,500	-
	1,602,416	1,432,539
EXPENDITURES		
General government	26,913	19,091
Protection to persons and property	84,473	77,793
Transportation services	964,028	564,859
Environmental services	88,373	198,699
Social and family services	-	110,843
Recreation and cultural services	136,038	42,881
Planning and development	285,335	227,273
	1,585,160	1,241,439
CAPITAL OPERATIONS NOT YET FINANCED AT THE BEGINNING OF THE YEAR	17,256	208,356
CAPITAL OPERATIONS NOT YET FINANCED AT THE END OF THE YEAR - Note 7	-	17,256

CITY OF TRENTON

RESERVES AND RESERVE FUNDS

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 ACTUAL $	1986 ACTUAL $
RESERVES		
Balance at the beginning of the year	261,089	322,651
Net contributions from (to) current operations	(738)	(61,562)
Balance at the end of the year - Note 8	260,351	261,089
RESERVE FUNDS		
Balance at the beginning of the year	345,742	222,233
REVENUE		
Interest earned	35,450	17,915
Contributions from current operations	402,100	102,949
Contributions from others	17,528	3,679
	455,078	124,543
EXPENDITURES		
Contributions to current operations	43,099	1,034
Contributions to capital operations	4,500	-
	47,599	1,034
Balance at the end of the year - Note 8	753,221	345,742

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of the
City of Trenton

We have examined the balance sheet of the City of Trenton - Ontario Home Renewal Program Trust Fund as at December 31, 1987, and the statement of Continuity of the Trust Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Ontario Home Renewal Program Trust Fund for the Corporation of the City of Trenton as at December 31, 1987, and the continuity of trust funds for the year then ended in accordance with accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Ontario
March 22, 1988

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
Cash	10,002	11,542
Long-term receivables	59,330	71,572
	69,332	83,114

LIABILITIES

Due to Province of Ontario	10,002	11,542
Trust Fund Balance	59,330	71,572
	69,332	83,114

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
TRUST BALANCE - Beginning of the year	71,572	111,110
SOURCES OF FUNDS:		
Interest earned	3,554	5,741
APPLIED TO:		
Funds remitted to Province of Ontario	13,846	27,202
Loans forgiven	1,950	18,077
	15,796	45,279
TRUST BALANCE - End of the year	59,330	71,572

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICY

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenditures are reported on the cash basis of accounting, with the exception of Funds Remitted to Province of Ontario which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable and the creation of a legal obligation to pay.

2. ONTARIO HOME RENEWAL PROGRAM

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973, to provide grants for Municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to $7,500 of which the maximum forgivable portion is $4,000.

Ontario Home Renewal Program loans receivable at December 31, 1987, comprise repayable loans of $59,030 (1986 - $69,322) and forgivable loans of $300 (1986 - $2,250). Loan forgiveness is earned and recorded at a rate of up to $600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgiveable loan immediately become due and payable by the homeowner.

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Memorial Public Library Board

We have examined the balance sheet of the Trenton Memorial Public Library Board as at December 31, 1987, and the statements of Current Operations, Capital Operations and Continuity of Reserve Funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Library Board as at December 31, 1987, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Canada
January 27, 1988

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
UNRESTRICTED		
Cash	11,163	19,405
Grants receivable - Province of Ontario	2,375	497
	13,538	19,902
RESTRICTED		
Cash	84,066	81,878
	97,604	101,780

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	12,216	14,976
RESERVE FUNDS	84,066	81,878
FUND BALANCES AT THE END OF THE YEAR TO BE USED TO OFFSET REVENUE IN 1988	1,322	4,926
	97,604	101,780

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON
TRENTON MEMORIAL PUBLIC LIBRARY BOARD
STATEMENT OF CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 Budget $	1987 Actual $	1986 Actual $
REVENUE			
Municipal contribution	304,834	309,834	291,707
Province of Ontario Grants - Note 6	37,388	40,524	36,396
Government of Canada Grants - Note 6	-	34,604	15,588
Other - Fines and fees	8,500	9,604	9,962
- Xerox and miscellaneous	6,200	6,266	7,362
- Audio-visual insurance	300	376	208
Appropriations from reserve funds	-	125	66
TOTAL REVENUE	357,222	401,333	361,289
EXPENDITURE			
Salaries and benefits			
Salaries and wages	219,618	215,223	202,906
Fringe benefits	27,500	25,977	24,307
Provision for sick leave liability	-	2,665	4,097
Travel: Conference	580	643	593
Professional development	2,100	1,979	2,336
	249,798	246,487	234,239
Materials, supplies and utilities			
Books, periodicals and other materials	63,700	62,138	60,508
Utilities	10,250	10,168	9,963
Other supplies and expenses	12,300	13,543	11,716
	86,250	85,849	82,187
Services and rents			
Rents - equipment	4,100	4,546	4,213
Other: Repairs and maintenance	4,575	13,214	3,757
Miscellaneous	4,450	3,559	4,850
Insurance	4,300	4,305	3,992
	17,425	25,624	16,812
Total operating expenditure	353,473	357,960	333,238
Indicia Project	-	-	8,400
Telidon service	3,675	2,240	3,028
Childhood Education Project	-	-	5,734
Employment grant expense	-	28,224	-
Seed grant expense	-	6,380	-
Experience grant expense	-	1,791	-
	357,148	396,595	350,400
Automation expense	-	141	-
Appropriations to reserve funds	-	500	149
Appropriations to capital fund	5,000	7,701	2,683
	5,000	8,342	2,832
TOTAL EXPENDITURE	362,148	404,937	353,232
EXCESS OF REVENUE OVER EXPENDITURES (Expenditures over revenue)	(4,926)	(3,604)	8,057
FUND BALANCES - BEGINNING OF THE YEAR	4,926	4,926	(3,131)
FUND BALANCES - END OF THE YEAR	-	1,322	4,926

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

STATEMENT OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 Budget $	1987 Actual $	1986 Actual $
SOURCE OF FUNDS			
Province of Ontario grant - Note 6	-	7,625	-
Government of Canada grant - Note 6	-	3,899	-
Appropriations from current operations	5,000	7,701	2,683
Appropriations from reserve funds	5,500	4,500	-
	10,500	23,725	2,683
CAPITAL EXPENDITURES			
Feasibility study	5,500	15,250	-
Furniture and equipment	5,000	8,475	2,683
	10,500	23,725	2,683
UNEXPENDED CAPITAL FINANCING (CAPITAL OPERATIONS NOT YET FINANCED)	-	-	-

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

STATEMENT OF CONTINUITY OF RESERVE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 Budget $	1987 Actual $	1986 Actual $
AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE BOARD PURPOSES	81,878	81,878	72,874
REVENUE			
Appropriations from current operations	-	500	-
Donations	5,500	2,277	2,945
Interest earned	-	4,036	6,125
	5,500	6,813	9,070
EXPENDITURES			
Appropriations to current operations	-	125	66
Appropriations to capital operations	5,500	4,500	-
	5,500	4,625	66
NET INCREASE FOR THE YEAR	-	2,188	9,004
AVAILABLE AT THE END OF THE YEAR FOR FUTURE BOARD PURPOSES	81,878	84,066	81,878
REPRESENTED BY:			
Capital expenditure fund - Note 5 (a)		79,668	75,911
Memorial fund		3,225	3,144
Feasibility study fund - Note 5 (b)		673	2,823
Audio-visual insurance fund		500	-
YEAR-END POSITION OF RESERVE FUNDS		84,066	81,878

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

The financial statements of the Trenton Memorial Public Library Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

Basis of Accounting

(a) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long-term liabilities which are charged against operations in the periods in which they are paid.

(b) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Fixed Assets

The historical cost and accumulated depreciation of fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Operations in the year of acquisition.

(d) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years," which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Balance Sheet".

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

2. PENSION AGREEMENTS

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of nine members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1987, was $8,487 (1986 - $8,469) for current service and is included as an expenditure on the Statement of Current Operations.

3. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Board's employment.

The liability for these accumulated days, to the extent that they have vested and can still be taken in cash by employees on terminating amounted to $8,486 at the end of the year. An amount of $8,486 has been provided for this past-service liability.

Employees are now participating in a disability income plan.

As a result, the accumulated sick leave benefits related to these employees is being paid out in 1988.

4. RESERVE FUNDS

Interest income and donations amounting to $6,313 was credited directly to reserve funds without being recorded as revenue of the revenue fund.

	Interest	Donations	
	$	$	
Capital expenditure fund	3,757	-	
Reid memorial fund	155	50	
Feasibility study fund	124	2,227	
	4,036	2,277	
			$ 6,313

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

5. COMMITMENTS

(a) Automation Project - Hastinet

The Trenton Public Library Board and the Belleville Public Library Board have agreed to a joint library automation preparation project, which is called Hastinet. The project involves automating the two libraries' circulation systems.

The estimated cost of equipment, materials and labour for this automation is $600,000. Grants have been received by Hastinet in the amount of $211,000. Certain grants have been received directly by the Trenton Public Library Board to fund specific expenditures which have been recognized in these financial statements.

The Trenton Public Library Board's 32% share of the difference will be funded from the capital expenditure reserve fund. It is anticipated the money in this fund will be transferred to Hastinet in 1988.

Both member libraries shall enter into a separate "User" contract regarding use of and access to the central control system to be maintained at the Belleville Public Library. A user service charge shall be set regularly by the Hastinet Board. It is estimated that the Trenton Public Library Board's share of operating costs will be $8,000 per year.

(b) Feasibility Study

The Trenton Public Library Board is currently considering expanding its facilities. A feasibility study has been conducted in 1987, to determine the most preferable method of expansion.

The results of the study have not yet been received.

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

6. GRANT REVENUE

Grant revenue during the year includes the following:

	$
Province of Ontario Grants	
Current operations	
Per Capita	38,733
Experience Grant	1,791
	40,524
Capital Operations	
Feasibility Study grant	7,625
	48,149
Government of Canada Grants	
Current operations	
Employment grant	28,224
Seed Grant	6,380
	34,604
Capital Operations	
Employment grant (computer)	3,899
	38,503

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Downtown Business Improvement
Area Board of Management

We have examined the balance sheet of the Trenton Downtown Business Improvement Area Board of Management as at December 31, 1987, and the statement of operations and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Trenton Downtown Business Improvement Area Board of Management as at December 31, 1987, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Canada
February 8, 1988

CITY OF TRENTON

TRENTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
UNRESTRICTED		
Cash	100	100
Accounts receivable - City of Trenton	7,320	7,876
Prepaid expenses	1,780	190
	9,200	8,166
AREA RATEPAYERS' SURPLUS		
SURPLUS	9,200	8,166
	9,200	8,166

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON
TRENTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT
STATEMENT OF OPERATIONS AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1987

	Budget 1987 $	Actual 1987 $	Actual 1986 $
REVENUE			
Corporation of the City of Trenton	68,634	68,634	70,290
Interest	200	639	500
Other income	-	2,131	1,918
	68,834	71,404	72,708
EXPENDITURE			
Advertising			
Autumn Promotion	2,500	88	-
Christmas Promotion	16,000	20,115	13,853
Fishing Derby	300	300	300
General	7,299	7,742	9,109
Santa Claus Parade and Display	500	500	500
Sidewalk Sale	5,701	5,509	3,008
Christmas "Buy a Light" Project	-	2,100	-
Decorative lighting - Christmas and Fascia	5,000	4,367	5,249
Front and Division Street improvements	2,500	1,276	205
Elgin and Balsam Street improvements	1,000	300	1,447
Quinte Street improvements	1,500	684	3,327
Flowers and maintenance	9,000	4,718	10,067
General improvements	6,000	3,146	662
Memberships	300	419	250
Miscellaneous	800	1,581	639
Purchase of office equipment	800	866	437
Office supplies	1,200	286	1,172
Professional fees	500	675	715
Rent and utilities	1,150	712	646
Rent - Muzak	850	898	1,167
Telephone	300	464	440
Travel and conferences	800	803	647
Wages	13,000	12,821	10,678
	77,000	70,370	64,518
EXCESS OF REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE) FOR THE YEAR	(8,166)	1,034	8,190
SURPLUS (DEFICIT) - BEGINNING OF YEAR	8,166	8,166	(24)
SURPLUS - END OF YEAR	-	9,200	8,166

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

The financial statements of the Downtown Business Improvement Area Board of Management are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting (accrual)

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long-term liabilities which are charged against operations in the periods in which they are paid.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Fixed Assets

The historical costs and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Operations in the year of acquisition.

2. AUTHORIZATION

The Board was authorized pursuant to By-law 76-3265 of the Corporation of the City of Trenton wherein power was entrusted to it for the improvement, beautification and maintenance of the Area and the promotion of the Area as a business and shopping area.

3. TAX ASSESSMENT

Revenue is received through the Corporation of the City of Trenton by an additional assessment, as authorized by Council on the businesses in the designated Improvement Area.

CITY OF TRENTON

DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

4. OVER (UNDER) LEVIES

The difference between taxes levied to area ratepayers and the amounts paid to the Downtown Business Improvement Area Board of Management to finance its expenditures is carried forward to the subsequent year to either increase or reduce the tax levied from ratepayers.

	1987 $	1986 $
Overlevy - Beginning of year	5,097	1,643
Levied during the year - Net of write-offs	69,771	73,744
Paid to the DBIA as budgeted	(68,634)	(70,290)
Overlevy - End of year	6,234	5,097

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Parking Authority

We have examined the balance sheet of the Trenton Parking Authority as at December 31, 1987, and the statements of current operations and capital operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1987, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Canada
February 11, 1988

CITY OF TRENTON

TRENTON PARKING AUTHORITY

BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
UNRESTRICTED		
Due from City of Trenton	34,237	-
Investments - at cost (approximate market value $9,863), $10,000 - 6% Hydro Electric Power Commission of Ontario Bonds, due July 5, 1988	9,861	9,861
	44,098	9,861
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS - Note 1(a)	145,566	155,656
	189,664	165,517

LIABILITIES

DUE TO THE CITY OF TRENTON	-	9,708
LONG-TERM LIABILITIES - Note 2	145,566	155,656
CAPITAL OUTLAY NOT YET FINANCED - Note 3	-	(17,256)
UNAPPLIED REVENUE	44,098	17,409
	189,664	165,517

APPROVED ON BEHALF OF THE BOARD

_____
Member

_____
Member

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CURRENT OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987

	Budget 1987 $	Actual 1987 $	Actual 1986 $
REVENUE			
Parking meter collections			
Streets and parking lots	147,000	143,528	123,724
Docks	3,000	3,011	2,521
Fines	53,000	69,149	43,192
Permits	8,000	7,070	6,566
Investment income	1,775	2,909	1,225
Rental income	1,200	2,270	1,150
	213,975	227,937	178,378
EXPENDITURES			
Debt charges - principal	11,090	11,090	9,344
- interest	18,030	18,030	19,113
Administration	8,000	6,695	6,829
Appropriation to capital operations	42,300	25,153	28,340
Clothing	1,400	2,415	2,497
Convention and courses	5,000	1,931	1,948
Employees' benefits	7,753	8,530	5,033
Lights	4,900	4,975	4,612
Repairs and maintenance - heads and posts	10,000	10,621	8,136
- lots	15,000	16,941	10,337
Salaries	53,275	54,030	39,110
Supplies and other expenses	6,057	5,779	812
Taxes	34,320	35,058	32,937
Contingency	4,000	-	5,000
	221,125	201,248	174,048
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	(7,150)	26,689	4,330
UNAPPLIED REVENUE - BEGINNING OF YEAR	17,409	17,409	13,079
UNAPPLIED REVENUE - END OF YEAR	10,259	44,098	17,409

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 Actual $	1986 Actual $
SOURCE OF FUNDS		
Appropriations from current operations	25,153	28,340
CAPITAL EXPENDITURES	7,897	45,596
	17,256	(17,256)
CAPITAL OPERATIONS NOT YET FINANCED AT THE BEGINNING OF THE YEAR	(17,256)	-
CAPITAL OPERATIONS NOT YET FINANCED AT THE END OF THE YEAR - Note 3	-	(17,256)

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. ACCOUNTING POLICIES

The financial statements of the Authority are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting (accrual)

i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long-term liabilities which are charged against operations in the periods in which they are paid.

ii) The accrual basis of accounting recognize revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Operations in the year of acquisition.

iv) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Balance Sheet.

2. LONG-TERM LIABILITIES

The City of Trenton issued a debenture in 1975 on behalf of the Parking Authority. The debenture was in the amount of $75,000, matures in 1995, and bears interest as follows:

Years 1 - 5 10-3/8%
Years 6 - 10 10-3/4%
Years 11 - 20 11-1/4%

CITY OF TRENTON

TRENTON PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

2. LONG-TERM LIABILITIES (Cont'd)

	1987 $	1986 $
Total amount outstanding	48,000	52,000

The City of Trenton acquired a ten-year bank loan in 1985, on behalf of the Parking Authority for land acquisition. This bank loan was in the amount of $110,000, maturing in 1995, and bears interest at 11-3/4% for the first five years. Blended annual payments are $19,269.

Total amount outstanding	96,566	103,656
	144,566	155,656

Total debt charges for the next five years on the existing long-term debts are as follows:

	Principal $	Interest $	Total $
1988	11,923	16,746	28,669
1989	12,854	15,366	28,220
1990	14,894	13,875	28,769
1991	16,057	12,151	28,208
1992	19,356	10,288	29,644
	75,084	68,426	143,510

3. CAPITAL OUTLAY NOT YET FINANCED

In 1986, the Authority expended $42,256 for the conversion of parking meters. Of this amount, $25,000 was funded from current operations in 1986. The balance of $17,256 was reflected on the balance sheet as "Capital Operations Not Yet Financed" and has been funded from current operations in 1987.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1987

NAME AND ADDRESS OF WATERWORKS	Filtration Plant, Chester Road, Trenton, Ontario
NAME, TITLE AND MAILING ADDRESS	Trenton Public Utilities, 50 Elgin Street P.O. Box 487 Trenton, Ontario, K8V 5R6
SENIOR ELECTED OFFICIAL	C. H. Hilton, Chairman
MANAGEMENT OFFICIAL	D. E. Manlow, Manager
CHIEF FINANCIAL OFFICER	D. E. Manlow, Secretary-Treasurer

QUALITY ACHIEVED

Characteristics	Average raw water values	No. of Samples	Average treated water value	No. of Samples
Hardness	126 mg/l	8	114 mg/l	8
Iron	.20 mg/l	8	.05 mg/l	8
Chloride	8.0 mg/l	8	.12 mg/l	8
Colour	20 Hazen Units	8	5 Hazen Units	8
Turbidity	2.0 FTU or JTU	8	0.24 FTU or JTU	8
Total coliform organisms	44 per 100 ml	64	0 per 100 ml	64

TREATMENT PROVIDED

Chlorination
Coagulation
Flucculation
Settling
Filtration
Taste and odour control

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987	1986
POPULATION OF THE MUNICIPALITY	15,311	15,311
ESTIMATED POPULATION SERVED	99.5%	99.5%
OTHER MUNICIPALITIES SUPPLIED	Canadian Forces Base, Trenton	Canadian Forces Base, Trenton
AREA OF MUNICIPALITY	3,516 acres	3,516 acres
AREA SERVICED	2,906.5 acres	2,906.5 acres
SOURCE OF SUPPLY	Springs, wells and surface	Springs, wells and surface
MILES OF MAINS:		
Under 6"	5.7	5.7
6"	24.9	24.9
8" to 10"	12.0	11.2
12" to 16"	14.4	14.2
Over 16"	1.1	1.1
ANNUAL QUANTITY OF WATER DISTRIBUTED (Thousands of Gallons)	1,077,268	1,159,552
STORAGE CAPACITY - PURE - 1,750,000; RAW - 100,000,000		
PEAKLOAD		
Maximum month	115,720	101,900
Average month	89,772	96,629
Maximum day	4,895	4,744
Average day	2,949	3,176
USAGE		
Number of customers		
- residential	4,722	4,607
- non-residential	545	527

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1987

PERCENTAGE OF WATER USE	1987	1986
Residential	43%	43%
Non-residential	57%	57%

WATER RATES

Metered
Residential) Up to 3/4" meters
Commercial)

Minimum $6.75 per month
$.760 per 100 cu. ft. 1st block of 10.000 cu. ft.
$.570 per 100 cu. ft. for balance
$3.85 service charge
Service charge for service over 3/4" will be based on current demand factor table

Flat rates
Net minimum connection, single tap

$13.35 per month

Other charges
Tapping mains

3/4" = $75.00
1" to 2" = $100.00
4" to 6" = $200.00
8" to 12" = $250.00

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Commissioners, Members of Council,
Inhabitants and Ratepayers of the
Corporation of The City of Trenton

We have examined the balance sheet of The Trenton Public Utilities Commission - Water Supply System of The Corporation of the City of Trenton as at December 31, 1987, and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Trenton Public Utilities Commission - Water Supply System of The Corporation of The City of Trenton as at December 31, 1987, and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Trenton, Canada
March 29, 1988

Wilkinson & Company
Chartered Accountants

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

BALANCE SHEET AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
CURRENT ASSETS		
Cash	831,584	365,641
Short-term investment	-	599,719
Accounts receivable		
- Sundry	9,810	48,400
- Electric Department	130,311	145,131
Unbilled revenue	191,537	153,792
Inventories - at average cost	42,962	37,400
	1,206,204	1,350,083
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS		
From waterworks revenues	470,000	502,000
	1,676,204	1,852,083

LIABILITIES

CURRENT LIABILITIES		
Accounts payable - trade	119,764	79,123
- accumulated sick leave	18,060	34,789
Payable to own municipality	72,234	125,634
	210,058	239,546
LONG-TERM DEBT FINANCED BY THE MUNICIPALITY	470,000	502,000
ACCUMULATED NET REVENUE	996,146	1,110,537
	1,676,204	1,852,083

APPROVED ON BEHALF OF THE COMMISSION

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Commissioner

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Commissioner

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
ACCUMULATED NET REVENUE AT THE BEGINNING OF THE YEAR	1,110,537	830,906
EXPENDITURE		
Operations		
Water supply	292,942	313,762
Power and pumping	128,731	126,688
Water transmission and distribution	201,143	199,758
Administration	332,406	313,234
TOTAL OPERATING EXPENDITURE	955,222	953,442
Principal payments and interest charges on long-term debt and advances	85,490	86,663
Capital expenditure out of current revenue	982,857	320,972
TOTAL EXPENDITURE	2,023,569	1,361,077
REVENUE		
Sale of water	1,538,663	1,350,659
Fire protection	109,352	100,989
Other revenue	227,333	189,060
Sale of land	33,830	-
TOTAL REVENUE	1,909,178	1,640,708
ACCUMULATED NET REVENUE AT THE END OF THE YEAR	996,146	1,110,537

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Those accounting policies deemed to be significant are as follows:

(a) Fixed Assets

No value is attached to fixed assets for Water Supply System reporting purposes. Expenditures on fixed assets are charged against current revenues unless the expenditures are financed out of long-term debt. Debt retirement costs are charged against current revenues in the periods in which they are paid.

(b) Charges for Net Long-Term Liabilities

Charges for net long-term liabilities include principal and interest. Interest charges are not accrued for the period from the date of the latest interest payment to the end of the fiscal year. Total principal and interest for net long-term liabilities in the year were as follows:

	1987 $	1986 $
Principal payments	32,000	30,000
Interest on debentures	53,490	56,663
	85,490	86,663

(c) Revenue Recognition

Revenue from the sale of water is recognized at the time services are rendered to customers.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

2. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Utility's employment.

Employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits of $105,023 are being paid out over a period of five years beginning in 1986.

An amount of $18,060 has been provided for the sick leave liability and a provision of $33,153 has been made for sick leave credits accumulated in 1987 (1986 - $38,955).

3. NET LONG-TERM LIABILITY REPAYMENTS

Future required payments on debenture debt are as follows:

Per City Debentures	Principal $	Interest $	Total $
1988	36,000	50,093	86,093
1989	40,000	46,217	86,217
1990	46,000	41,910	87,910
1991	49,000	36,963	85,963
1992	54,000	31,678	85,678
Thereafter to 1997	245,000	63,858	308,858
	470,000	270,719	740,719

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

4. TRANSFER OF WATER SUPPLY SYSTEM EXCESS OF RECEIPTS OVER EXPENDITURES TO CORPORATION

Section 35 of The Public Utilities Act provides that a water supply system operated by a Public Utilities Commission, shall pay over to the Treasurer of the municipality the excess of receipts over expenditures incurred for the maintenance and operation of the Utility. No such transfer was made with respect to the calendar year ended December 31, 1987, although an accumulated amount of $996,146 was available.

5. PENSION AGREEMENTS

The Commission makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 34 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1987 was $52,731 (1986 - $51,210) for current service and is included as an expenditure on the Statement of Revenue and Expenditure.

There are no provisions for past service contributions.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

ANALYSIS OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
SALE OF WATER		
Residential	605,504	547,669
Non-residential	933,159	802,990
	1,538,663	1,350,659
FIRE PROTECTION		
Own municipality	109,352	100,989
OTHER REVENUE		
Installation and service charges	97,546	71,660
Forfeited discounts and penalties	9,496	8,743
Miscellaneous	83,595	94,984
Impost fees	36,696	13,673
	227,333	189,060
SALE OF LAND	33,830	-
TOTAL REVENUE	1,909,178	1,640,708

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

ANALYSIS OF EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
WATER SUPPLY	292,942	313,762
POWER AND PUMPING	128,731	126,688
WATER TRANSMISSION AND DISTRIBUTION		
Mains	159,996	166,043
Meters	30,080	25,047
Hydrants	11,067	8,668
	201,143	199,758
ADMINISTRATIVE		
General administration	200,965	180,938
Billing and data processing	94,233	90,729
Consumer premises expenses	37,208	41,567
	332,406	313,234
TOTAL OPERATING EXPENDITURE	955,222	953,442
OTHER EXPENDITURE		
Principal payments on long-term debt	32,000	30,000
Interest charges on long-term debt	53,490	56,663
	85,490	86,663
Capital expenditure out of current revenue	982,857	320,972
TOTAL EXPENDITURE	2,023,569	1,361,077

The accompanying notes form an integral part of these financial statements

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Commissioners, Members of Council,
Inhabitants and Ratepayers of
The Corporation of The City of Trenton

We have examined the balance sheet of The Trenton Public Utilities Commission - Hydro-Electric System of The Corporation of The City of Trenton as at December 31, 1987, and the statements of revenue and expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Trenton Public Utilities Commission - Hydro-Electric System of The Corporation of The City of Trenton as at December 31, 1987, and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Trenton, Canada
March 29, 1988

Wilkinson & Company
Chartered Accountants

CITY OF TRENTO
TRENTON PUBLIC UTILITIES
HYDRO-ELECTRIC SY
BALANCE SHEET AS AT DECEM

ASSETS	1987 $	1986 $
CURRENT		
Cash	366,731	335,424
Short-term investment	799,954	999,122
Accounts receivable	172,290	165,595
Accrued interest receivable	5,961	12,115
Due from City of Trenton	64,151	44,880
Unbilled revenue	1,764,695	1,551,386
Inventories - Note 1(a)	311,997	318,466
	3,485,779	3,426,988
FIXED		
Land	146,429	146,429
Buildings, plant and equipment	7,783,443	7,105,915
Construction in progress	-	48,337
	7,929,872	7,300,681
Less: accumulated depreciation	3,104,203	2,821,491
	4,825,669	4,479,190
OTHER		
Equity in Hydro-Electric Power Commission of Ontario	6,284,680	5,650,005
Deferred charges	1,503	659
	6,286,183	5,650,664
	14,597,631	13,556,842

APPROVED ON BEHALF OF THE COMMISSION

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Commissioner

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Commissioner

The accompanying notes
integral part of these finan

WILKINSON & COMPA
CHARTERED ACCOUNTANTS

ITY OF TRENTON
LIC UTILITIES COMMISSION
O-ELECTRIC SYSTEM
T AS AT DECEMBER 31, 1987

986 $		1987 $	1986 $
	LIABILITIES		
5,424	CURRENT		
9,122	Accounts payable	1,133,905	1,145,709
5,595	Other -		
2,115	Due to - Water Department	130,311	145,131
4,880	Customers' deposits	177,064	157,536
1,386	Current portion of accrued sick leave	34,466	35,360
8,466		1,475,746	1,483,736
6,988	LONG-TERM		
6,429	Accrued sick leave	69,283	122,693
5,915	Less: current portion included above	34,466	35,360
8,337		34,817	87,333
0,681	DEFERRED CREDIT		
1,491	Contributions in aid of construction - Note 6	763,758	597,945
9,190	Less: accumulated amortization on contributions	(100,033)	(72,882)
		663,725	525,063
0,005	TOTAL LIABILITIES	2,174,288	2,096,132
659	RESERVES		
0,664	Equity in Hydro Electric Power Commission of Ontario	6,284,680	5,650,005
	ACCUMULATED NET REVENUE	6,138,663	5,810,705
3,842		14,597,631	13,556,842

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these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
ACCUMULATED NET REVENUE AT THE BEGINNING OF THE YEAR	5,810,705	5,380,682
REVENUE		
Sale of Energy		
Residential	3,186,526	2,977,007
General service	5,679,053	5,115,891
Large user	3,420,685	2,917,324
Street lighting	86,375	82,122
	12,372,639	11,092,344
Other income - Note 2	274,053	272,730
TOTAL REVENUE	12,646,692	11,365,074
EXPENDITURE		
Energy cost	11,420,776	10,104,176
Operation maintenance	281,375	263,020
Administration	282,361	266,459
Depreciation - Note 1 (b)	264,103	237,889
Other - Note 3	70,119	63,507
TOTAL EXPENDITURE	12,318,734	10,935,051
EXCESS OF REVENUE OVER EXPENDITURE	327,958	430,023
ACCUMULATED NET REVENUE AT THE END OF THE YEAR	6,138,663	5,810,705

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	327,958	430,023
Adjustment for items which do not affect cash -		
Depreciation	287,836	258,158
Amortization of deferred credit	(27,150)	(20,518)
Amortization of deferred charges	646	508
Loss on disposal of fixed assets	81	-
	589,371	668,171
Net change in non-cash working capital balances related to operations - Note 7	(34,580)	(235,836)
INCREASE (DECREASE) IN ACCRUED SICK LEAVE	(53,410)	(20,960)
	501,381	411,375
INVESTING ACTIVITIES		
Investment in fixed assets	(634,397)	(636,289)
Investment in deferred charges	(1,490)	(470)
	(635,887)	(636,759)
FINANCING ACTIVITIES		
Contributions in aid of construction	165,813	78,475
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	31,307	(146,909)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	335,424	482,333
CASH AND EQUIVALENTS - END OF YEAR	366,731	335,424

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987

P-4

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of Section 97 of The Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario".

Those accounting policies deemed to be significant are as follows:

(a) Inventories of Supplies

Inventories of supplies amounting to $311,997 (1986 - $318,466) are included in current assets and are reflected on an average cost basis.

(b) Fixed Assets

The Electric Utility combines the use of fund accounting and depreciation accounting which is unique to their industry.

The records of the Hydro-Electric Utility are under the direct supervision of the municipal accountant from the Hydro-Electric Power Commission of Ontario, who is responsible for expense distribution, reconciling power purchased with power sold and compliance with capital expenditure budgets.

The rates and formulas in use to calculate depreciation are established by H.E.P.C.

Total depreciation charged to expenditure in the year is as follows:

	1987 $	1986 $
Total Depreciation	287,836	258,158
Less: Depreciation on rolling stock and miscellaneous equipment allocated to other expenditures	23,733	20,269
	264,103	237,889

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987 P-4

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Revenue Recognition

(i) In accordance with accounting policies determined for Ontario Municipal Electric Utilities by The Hydro-Electric Power Commission of Ontario, revenue from the sale of electrical energy by this utility is recognized at the time energy is consumed by customers.

(ii) Funds received as capital contributions from subdividers, builders and government agencies are credited directly to the account contributions in aid of construction. The amortization for the year is reflected as income as shown in Note 2 and explained in Note 5.

2. OTHER INCOME

	1987 $	1986 $
Customers' late payment penalties	37,983	34,971
Servicing of customers' installations	11,400	5,885
Profit on sundry sales	1,678	1,092
Other		
Dusk to dawn rental	1,701	1,883
Office rental	37,975	36,322
Miscellaneous	18,045	20,629
Interest income	109,995	123,254
Sewer service rate collection	28,126	28,176
Amortization of contributions in aid of construction	27,150	20,518
	274,053	272,730

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987 P-4

3. OTHER EXPENDITURE EXCLUSIVE OF DEPRECIATION

	1987 $	1986 $
Buildings, operation and maintenance	46,297	39,430
Promotion of business	956	775
Dusk to dawn lighting	1,045	408
Servicing customers' installations	17,289	17,802
Interest	4,532	5,092
	70,119	63,507

4. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Utility's employment.

The employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits related to these employees are being paid out over a period of five years commencing in 1986.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to $102,395. At the end of the year $69,283 ($152,726 in 1986) has been provided for in the accounts.

5. PENSION AGREEMENTS

The Commission makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 34 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1987 was $49,455 (1986 - $47,463) for current service and is included as an expenditure on the Statement of Revenue and Expenditure.

There were no past service contributions.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1987 P-4

6. CONTRIBUTIONS IN AID OF CONSTRUCTION AFTER JANUARY 1, 1980

The account includes the non-refundable required contributions for fixed assets. These contributions are amortized over the life of the related assets.

7. STATEMENT OF CHANGES IN FINANCIAL POSITION

Cash provided by (used in) non-cash working capital is compiled as follows:

	1987 $	1986 $
(INCREASE) DECREASE IN CURRENT ASSETS		
Short-term investment	199,168	(200,033)
Accounts receivable	(6,695)	(43,364)
Accrued interest receivable	6,154	(11,141)
Due from City of Trenton	(19,271)	(14,067)
Unbilled revenue	(213,309)	(187,410)
Inventories	6,469	33,989
	(27,484)	(422,026)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	(11,804)	149,717
Due to Water Department	(14,820)	15,047
Deferred income - customer's deposits	19,528	21,426
	(7,096)	186,190
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(34,580)	(235,836)